

Message Text

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ACTION EA-14

INFO OCT-01 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00 CIEP-02

COME-00 DODE-00 EB-11 FPC-01 H-03 INR-10 INT-08 L-03

NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01 SCI-06

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TAGS: TECH JA

SUBJECT: AEC URANIUM ENRICHMENT CONTRACT SUSPENSION

REF: TOKYO 8739

FOR INFO, LISTED BELOW IS AN UNOFFICIAL SUMMARY TRANSLATION OF JAPANESE NEWSPAPER ARTICLE, JULY 5 DENKI SHIMBUN, WHICH INDICATES INITIAL LOCAL REACTION TOWARD AEC ANNOUNCEMENT OF JULY 2 ON ABOVE SUBJECT.

QUOTE. JAPANESE ELECTRIC POWER INDUSTRY'S REACTIONS TO SUSPENSION OF ENRICHMENT CONTRACT SIGNING (SUMMARY). THE JAPANESE ELECTRIC UTILITIES LOOK EMBARRASSED WITH THE U.S. AEC'S DECISION ANNOUNCED IN WASHINGTON ON JULY 2 TO SUSPEND TEMPORARILY THE SIGNING OF URANIUM ENRICHMENT CONTRACTS, BUT ARE OPTIMISTIC FOR THE FOLLOWING REASONS: ONE. THE UTILITIES SENT CONTRACTS AND FINISHED THE FIRST PAYMENTS NOT LATER THAN JUNE 30. TWO. AS A MATTER OF INTERNATIONAL FAITH, IT IS INCONCEIVABLE THAT THE U.S. WILL TAKE SUCH A STEP AS CANCELING THE INTERNATIONAL CONTRACTS. THREE. SINCE THE AEC WAS SAYING UNTIL RECENTLY THAT THERE

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WOULD BE NO QUOTE CRITICAL SHORTAGE UNQUOTE ABOUT ITS SUPPLY

CAABILITY, IT IS INCONCEIVABLE, EITHER, THAT THE AEC HAS
SUDDENLY COME TO SUFFER A SHORTAGE OF SUPPLY CAPABILITY.
PARA. THE JAPANESE UTILITIES ASSUME SIMPLY THAT THE SIGNING
OF CONTRACTS HAS QUOTE TEMPORARILY STOPPED UNQUOTE BECAUSE A
NUMBER OF CONTRACTS CAME IN ON THE EVE OF THE DEADLINE. HOW-
EVER, AS TWENTY-SEVEN JAPANESE NUCLEAR POWER PLANTS TOTALING
ABOUT 28 MILLION KW IN INSTALLED CAPACITY ARE INVOLVED, THE
UTILITIES ARE HURRYING TO CONFIRM THE AEC'S REAL INTENTION,
AND EXPECT THAT HOW THE AEC MADE A QUOTE JUDGMENT UNQUOTE WILL
BE MADE CLEAR. PARA. IN THE FEDERAL REGISTER DATED JULY TWO,
THE AEC SAID SIMPLY THAT IT WILL TEMPORARILY SUSPEND CONTRACT
SIGNING IN ORDER TO REVIEW ITS SUPPLY CAPABILITY. THE ANNOUNCE-
MENT CAUSED VARIOUS SPECULATIONS AS IT DID NOT CLARIFY THE REA-
SON. THE MOST PROBABLE REASON SUSPECTED BY THE PERSONS CON-
CERNED IS THAT PRESIDENT NIXON DECIDED WITHOUT CONGRESSIONAL AP-
PROVAL TO PROVIDE ARAB AND ISRAEL WITH NUCLEAR POWER PLANTS AND
FUEL. THE PERSONS CONCERNED, HOWEVER, ARE GENERALLY OF THE VIEW
THAT THE AEC'S SUPPLY CAPABILITY LIMIT WILL NOT BE EXCEEDED AS A
RESULT OF SUPPLY TO ARAB AND ISRAEL. ANOTHER COUNTRIES ARE MORE
THAN ANTICIPATED. PARA. HOWEVER, THERE MAY BE SOME REDUCTION IN
THE SUPPLY OF ENRICHED URANIUM IN THE WORST CASE. FOR THIS REA-
SON, JAPAN WILL PROBABLY BE PRESSED WITH THE NEED OF SEEKING A
NEW SOURCE OF SUPPLY OTHER THAN THE UNITED STATES AND OF
HURRYING TO STUDY THE QUOTE FOURTH ENRICHMENT PLANT UNQUOTE
PROJECT. JAPAN IS THINKING OF JOINING THE PROJECT IN SOME
FORM OR ANOTHER. AT ANY RATE, THE JAPANESE ELECTRIC UTILI-
TIES ARE GENERALLY OF THE VIEW THAT THE AEC'S DECISION THIS
TIME WILL NOT LEAD TO ANY DRASTIC CHANGE IN JAPAN'S DEVELOP-
MENT OF NUCLEAR POWER. UNQUOTE. (END OF TRANSLATION)
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